

September 2003

State Senator

Burton Leland

Newsletter

Reports to the people of the 5th Senate District

Hello District 5!

As the Legislature nears the end of the summer recess, I wanted to take this opportunity to give you some information about the 2004 state budget that was recently finalized and let you know what else we're working on in Lansing.

One area that is very important to me and was the catalyst for my entering public office is consumer protection. Through the years, I have worked to bring critical consumer protection issues to the forefront in the legislature, pushing for passage of bills to

prevent consumer fraud, stop insurance redlining, and reform the mortgage and payday lending industry. I will continue to focus on these and other consumer protection issues and want to hear your views on legislation to protect Michigan residents. Please contact me at the phone number, mailing, or e-mail address listed on this newsletter to share your ideas with me.

I will be spending time in the district in the coming months and look

forward to meeting with local residents and community leaders. Your ideas, opinions, and concerns are very important to me so I hope you'll come out and share your thoughts.



Governor, Legislature Eliminate \$1.7 Billion Deficit Without Raising Taxes

Governor Granholm and the Michigan Legislature came together this summer to pass a budget that eliminates a \$1.7 billion deficit. Michigan is one of the few states that solved its budget crisis without raising taxes or dramatically

reducing support for public education.

The weeks of debate and discussion leading up to the final budget agreement were challenging as our state faced one of the largest deficits in our history. Declining tax revenues, overly

optimistic revenue projections, and an excessive use of one-time revenues, in addition to a sagging national economy, left us with a dreary picture for 2004.

The final budget agreement, worked out by the Governor and

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Task Force Formed to Address Insurance Reform

The issue of insurance redlining in the Detroit area was what motivated me to run for public office nearly 25 years ago. Unfortunately, this practice that we worked so hard to eliminate in the 1980s is resurfacing as a problem in our urban areas today. In response to this and other consumer protection concerns, a number of my Senate Democratic colleagues and I have formed a consumer protection task force to look at the issues that affect individuals and families in our state.

Over the last decade, insurance companies have had a

near free rein to raise rates. As a result, auto insurance rates in Detroit have increased by more than 100% for the average family, nearly five times the rate

of inflation. Michigan's auto insurance rates remain the highest in the Midwest. Michigan's average expenditure for automobile insurance is

approximately 11 percent higher than all of the surrounding states. Many residents report that their monthly insurance payment is higher

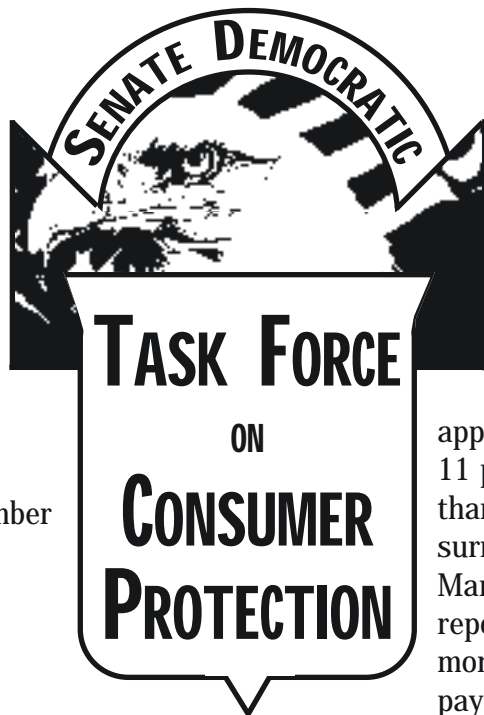
than their monthly car payment.

Homeowners have also felt the pain of rate increases. Homeowners insurance premiums across the state have been steadily increasing over

the past three years. The average Michigan premium increased by 3 percent in 2000; 12 percent in 2001; 16 percent in 2002; and this year by 23 percent. There is clearly a problem that must be addressed.

My colleagues and I on the task force are committed to working to resolve the problems associated with the current insurance system which has led to unaffordable rates and unfair practices. The task force has established an online information center to help interested parties learn more about the task force's mission and submit specific questions and concerns to task force members.

To access the site, go to: www.senate.michigan.gov/dem and click on the Consumer Protection Task Force link.



How to Contact Senator Leland



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Detroit Area Regional Transportation Authority

I worked hard over the past two legislative sessions to pass legislation to create a regional transportation authority that would develop and implement a comprehensive regional public transportation service plan. I am happy to report that Governor Granholm and metro Detroit area leaders have agreed to use existing laws to begin solving Southeast Michigan's long-term regional transportation problem.

The Governor, along with leaders from Wayne, Oakland, and Macomb Counties, and the city of Detroit, announced in May an agreement to create the

Detroit Area Regional Transportation Authority, or DARTA, to improve public transportation in Southeast Michigan.

The establishment of DARTA is significant for Detroit area residents. The regional transit authority will improve bus service in Detroit, as well as integrate the city and suburban bus systems. DARTA will link the SMART system and the DDOT system so riders will no longer have to jump from one to the other just to get to work.

Currently, the lines of the two systems do not cross. For riders from metro Detroit who

want to get out to one of the suburbs, the journey can often be long and complicated. With DARTA, the two systems will overlap and use common stops. Riders will no longer have to take one bus system to the end of its line, walk to another stop, and pay another fare for another system just to reach their destination.

DARTA will expand and improve transportation in metro Detroit, providing better service for the nearly 200,000 riders who depend on bus service every day. I'll keep you posted in future newsletters on the progress of this authority.

Additional Benefits for Michigan's Long-Term Unemployed

Some of Michigan's nearly 53,000 long-term unemployed could be in line for \$206 million in additional jobless benefits under a first-time Worker Assistance Plan signed into law by Governor Granholm in August.

This new plan allows Michigan to change the way it calculates its unemployment rate. Under our current system, some individuals seeking work, such as people who have never had a job or those who have exhausted their benefits, are not included in the

unemployment rate. The new Worker Assistance Plan will allow us to calculate unemployment based on the total unemployment rate, which includes all unemployed workers.

Under the Worker Assistance Plan, Michigan workers would be provided additional unemployment benefits through the federal Temporary Extended Unemployment Compensation-X (TEUC-X) program and the federal-state Extended Benefits (EB) program. In order to

trigger onto these programs, the state's total unemployment rate must average 6.5 percent or higher for three months. This is the first time in Michigan's history that the state has exercised this option to tap into additional federal dollars.

We must extend every protection possible to Michigan workers during this economic downturn. This new approach to measuring unemployment rates is the most effective to bring relief to Michigan's long-term unemployed residents.



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Town Hall Meetings Open Discussion on Important Issues

I held two Town Hall Meetings in the spring where I had the opportunity to talk with a number of local residents and community leaders. We discussed issues ranging from trash removal to inadequate street light maintenance to saving the merit scholarship program.

I am working to address some of the issues raised on an individual level and others through legislation in the

Senate. Our Consumer Protection Task Force will be discussing many of the concerns about predatory lending and insurance industry reform through our hearings this fall.

I will update you in future newsletters and at community meetings as to the progress we are making on the issues that concern you.



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legislative leadership, and passed by the House and Senate, is fiscally and socially responsible. State spending was reduced by approximately \$1 billion while our children and our most vulnerable citizens were protected. Following are highlights of the final fiscal 2004 budget:

- Per-pupil funding will be maintained at \$6,700,
- preserving critical funding for schools across the state.
- The Governor's recommended School Rainy Day Fund will receive \$75 million from federal emergency funds. This special savings account will only be used to fund education programs in the event of further economic hardship.
- Preschool and early childhood education programs will be maintained at \$72.8 million in funding.
- Health care programs for those who need it most will be realized as the increase in Family Independence Agency (FIA) and Medicaid caseloads will be funded for the coming year.